



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
 REGION 5  
 77 WEST JACKSON BOULEVARD  
 CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF

OCT 26 2016

Annette Switzer  
 Michigan Permit Section Supervisor  
 Department of Environmental Quality  
 Air Quality Division  
 P.O. Box 30260  
 Lansing, Michigan 48909-7760

Dear Ms. Switzer:

Thank you for the opportunity to provide the Michigan Department of Environmental Quality (MDEQ) our comments on the draft construction permit for Aquila Resources Inc. (Permit number 205-15). We provide these comments to help ensure that the project meets the Clean Air Act (CAA) requirements, that the permit will provide the necessary information so that the basis for the permit decision is transparent and readily accessible to the public, and that the permit record provides adequate support for the decision. Below are our comments:

1) On page 7, Section III, condition 2, requires the permittee to maintain the air pressure within EUHGRETORT lower than the press room air pressure so that air flows into EUHGRETORT at all times when EUHGRETORT is operating. However, there is no associated monitoring or recordkeeping requirement which requires the permittee to measure the air pressure within the EUHGRETORT. As drafted, this permit condition is not practically enforceable. EPA recommends that the draft permit include a requirement to install and maintain a device to measure the air pressure of the EUHGRETORT, the press room, and outside ambient air pressure to demonstrate that a lower air pressure is achieved and maintained. This condition should include the appropriate reporting and recordkeeping in order to assure compliance with the permit requirement.

2) On page 7, the draft permit has a limit for mercury for unit EUHGRETORT. The draft permit does not provide any test method or time period for this permit limit. As EPA has discussed with MDEQ, EPA believes that each applicable permit condition should specifically identify the respective test method that the source will use to adequately demonstrate compliance with each emission limit in the permit. By not identifying the test methods, the public is not provided the necessary information to know in advance how compliance will be determined by the subject facility. EPA believes that the test method should be provided in the draft permit, while still providing MDEQ the flexibility to modify the testing methods in the event the test methods are modified or supplanted by more advanced or alternative test methods. The draft permit can contain permit language

that provides MDEQ the flexibility that they approve actual the specific testing methods at the time of the test in advance of the test date and substitute any test method that becomes applicable in the future, in advance of the test date.

3) On page 10, the draft permit requires the use of a wet scrubber system for the pollution control equipment. Section III, condition 2, requires the permittee to maintain the ranges specified in the malfunction abatement plan (MAP) for the wet scrubber pressure drop and liquid flow rate. However, the permit does not specify the efficiency at which the wet scrubber must operate. Based on our discussions with your staff and the permit application regarding the operation of the wet scrubber, MDEQ should include a minimum control efficiency of 95% for the wet scrubber in the permit as an enforceable condition. The pressure drop and liquid flow rate should be set and maintained at a level which will achieve at least 95% control efficiency and these parameters should be part of the applicable MAP.

4) On pages 15 and 17, the units FG1STCRUSHER and EU3DECKSCREEN, EU2NDCRUSHER, EU3RDCRUSHER, EUSPTRANSFERPTS, requires the installation and use of a baghouse(s) (DC-01 and DC-02) for the control of particulate matter. The draft permit requires the use of a pressure drop monitor for the satisfactory use of the baghouses. EPA believes that a pressure drop monitoring system is not sufficient to assure compliance and demonstrate that the baghouses are being operated in a satisfactory manner. MDEQ should require the use of additional monitoring systems, such as bag leak detection, to adequately demonstrate that the baghouses are being maintained and operated in a satisfactory manner.

5) On page 25, the draft permit requires the permittee to maintain the moisture content of the concentrate at approximately 10% or higher. The draft permit does not specify the method the permittee shall use in demonstrating that the moisture concentrate is at least 10% moisture. MDEQ should include a condition which requires the permittee to test the moisture content of the concentrate at points that are most susceptible to creating fugitive emissions, with sampling done not more than a few inches below the top surface of the concentrate pile to be tested.

6) Appendix A of the draft permit contains the Fugitive Dust Control Plan (plan) (October 2015, updated August 2016). The plan specifies the procedures and practices the permittee must use to minimize and eliminate fugitive dust at the site. EPA has the following concerns with the plan elements:

(a) The plan establishes speed limits for haul roads at 15 miles per hour and 20 miles per hour for service roads outside of the haul roads areas. The plan does not provide any practical enforceable methods to determine if the drivers of the trucks are staying below the posted speed limits. MDEQ should include provisions, such as speed detection systems to accurately know the speed limits are being followed.

(b) The plan requires that a dust suppressant be applied to the haul and service roads. The plan does not address the roadway just outside of the mine site. The plan should include a requirement that the public roadways immediately outside

of the facility be observed on a routine basis to determine if they require watering, sweeping, or the application of a dust suppressant due to truck traffic from the site as necessary.

(c) The plan requires the use of concrete barriers around ore storage piles. The plan should require that the storage piles should be loaded at a maximum level which would not exceed the height of the concrete barriers. Additionally, ore in the haul trucks should be loaded as to not exceed the top of the truck bed side walls in order to minimize fugitive dust.

EPA will continue to work with MDEQ in identifying test methods and appropriate compliance language in the draft permit. We would like to thank you for working with us to ensure that these concerns are resolved in a timely manner. If you have any further questions, please feel free to contact Constantine Blathras at (312) 886-0671.

Sincerely,

A handwritten signature in cursive script that reads "Genevieve Damico". The signature is written in dark ink and is positioned above the printed name and title.

Genevieve Damico  
Chief  
Air Permits Section